

REGULATION II - PERMITS AND FEES

RULE 204 EMISSION REDUCTION CREDITS FOR USE WITH THE ARIZONA EMISSIONS BANK

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**MARICOPA COUNTY
AIR POLLUTION CONTROL REGULATIONS**

REGULATION II - PERMITS AND FEES

**RULE 204
EMISSION REDUCTION CREDITS FOR USE WITH THE
ARIZONA EMISSIONS BANK**

SECTION 100 – GENERAL

- 101 PURPOSE:** To implement procedures for certification and utilization of emission reduction credits for use with the Arizona Emissions Bank.
- 102 APPLICABILITY:** Participation in the Rule 204 emission reduction credit certification and utilization program is voluntary. The provisions of this rule apply to permitted sources emitting particulate matter, sulfur dioxide, carbon monoxide, nitrogen oxides, or volatile organic compounds. Rule 204 does not apply to sources granted the authority to operate under Rule 230 (General Permits) of these rules.

SECTION 200 – DEFINITIONS: For the purpose of this rule, the following definitions shall apply. See Rule 100 (General Provisions and Definitions) of these rules for definitions of terms that are used but not specifically defined in this rule.

- 201 CERTIFIED CREDITS** – emission reduction credits that have qualified for certification by satisfying the criteria established for emission reduction as outlined in Section 301 (Credit Certification) of this rule.
- 202 CREDIT UTILIZATION** – the use of a certified emission reduction credit.
- 203 EMISSION REDUCTION CREDIT** or **CREDIT** – a certified unit that may be banked, sold, transferred, withdrawn or retired.
- 204 EMISSIONS BANK** – the electronic entity where emission reduction credits are recorded for the purpose of the public notice, allowing a person to determine the availability of credits for related market transactions. The emissions bank is administered by the Arizona Department of Environmental Quality.
- 205 SURPLUS** – the amount of a permitted source's emission reduction that is not required by federal, state, or local law.

SECTION 300 – STANDARDS

301 CREDIT CERTIFICATION

- 301.1** The Control Officer may certify an emission credit if the Control Officer verifies the credit is based on all of the following:
- (a) A reduction in actual emissions that occurred after August 17, 1999;
 - (b) A quantifiable reduction in actual emissions;
 - (c) A permanent reduction in actual emissions;
 - (d) An enforceable reduction in actual emissions; and
 - (e) A surplus reduction in actual emissions occurring in addition to any other required emission reduction.
- 301.2** The source must notify the Control Officer when the reduction occurs.
- 301.3** In order for the emission reduction to be quantifiable under this section:
- (a) The emission reduction must be quantifiable under Rule 100, § 200.86; and
 - (b) The reducing source shall submit documentation of any testing or monitoring that demonstrates an emission reduction.
- 301.4** The Control Officer shall certify one emission reduction credit for each ton per year of particulate matter, sulfur dioxide, carbon monoxide, nitrogen dioxide, or volatile organic compound actually reduced.
- 301.5** The Control Officer shall notify the source and the Director of the ADEQ that a credit is certified.

302 CREDIT UTILIZATION

- 302.1** A source may use a certified emission reduction credit in the same nonattainment area, maintenance area, or modeling domain in which the emission reduction occurred by submitting a Credit Utilization Application (CUA) to both the Director of the ADEQ and the Control Officer, on a form prescribed by the Director of the

ADEQ. The source shall submit the CUA to the Control Officer at the time the source submits an application for a permit or permit revision.

302.2 Before any emission reduction credits may be utilized, the Control Officer shall:

- (a) Evaluate and verify the authenticity of the credit, and
- (b) Determine that there will be no adverse impact on the air quality.

302.3 After the Control Officer completes the permitting action, the Control Officer shall submit the credit certificate to the Director of the ADEQ and notify the Director that the requirements of A.A.C. R18-2-1206 have been met.

SECTION 400 - ADMINISTRATIVE REQUIREMENTS (NOT APPLICABLE)

SECTION 500 - MONITORING AND RECORDS (NOT APPLICABLE)